



October 5, 2018

***Ex Parte Notice***

Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

**RE: *Connect America Fund, WC Docket No. 10-90; ETC Annual Reports and Certifications, WC Docket No. 14-58; Establishing Just and Reasonable Rates for Local Exchange Carriers, WC Docket No. 07-135; Developing a Unified Intercarrier Compensation Regime, CC Docket No. 01-92***

Dear Ms. Dortch:

On Thursday, October 4, 2018, the undersigned on behalf of NTCA–The Rural Broadband Association (“NTCA”) met with Sue McNeil, Alexander Minard, Suzanne Yelen, Ted Burmeister, and Jesse Jachman from the Wireline Competition Bureau to discuss matters in the above-referenced proceedings. Specifically, NTCA urged action by the Federal Communications Commission (the “Commission”) with respect to three policy priorities as soon as possible.

First, consistent with Chairman Pai’s call for action by year-end on federal universal service fund (“USF”) budget concerns, NTCA noted the overwhelming support in the record – including a recent letter submitted by NTCA and other associations – for a detailed roadmap that would provide longer-term sufficient funding for existing USF mechanisms. *See Ex Parte* Letter from Shirley Bloomfield, Chief Executive Officer, NTCA, *et al.*, to Marlene H. Dortch, Secretary, Commission, WC Docket No. 10-90, *et al.* (filed Oct. 1, 2018). NTCA observed that this roadmap represented a balanced and responsible path forward, complying with statutory mandates for sufficiency and predictability for existing support mechanisms while ensuring effective and accountable use of USF resources and avoiding the potential for more complicating reforms.

Next, NTCA raised the need for Commission action to eliminate the negative effects of the rate floor policy consistent with recommendations filed last year. *See, e.g.*, Comments of NTCA, WC Docket No. 10-90 (filed July 10, 2017). NTCA once again observed the substantial consensus in the record with respect to the rate floor, and encouraged relief as promptly as possible before providers need to begin the process of instituting massive rate increases on voice telephony for rural consumers early next year.

Marlene H. Dortch

October 5, 2018

Page 2 of 2

Finally, NTCA discussed the capital investment allowance that limits recovery of capital expenditures through USF. Consistent with prior comments, NTCA urged the Commission to replace the existing limit formula with a simpler and more straightforward engineering certification, and at the very least to eliminate the per-project, per-location limit that is part of the allowance given the significant complexity it introduces for the Commission and carriers alike. *See, e.g.*, Reply Comments of NTCA, WC Docket No. 10-90 (filed June 25, 2018), at 43.

Thank you for your attention to this correspondence. Pursuant to Section 1.1206 of the rules of the Commission, a copy of this letter is being filed via ECFS.

Sincerely,

/s/ Michael R. Romano

Michael R. Romano

Senior Vice President –

Industry Affairs & Business Development

cc: Sue McNeil  
Alexander Minard  
Suzanne Yelen  
Ted Burmeister  
Jesse Jachman